SETHU INSTITUTE OF TECHNOLOGY

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To
Chairman
Sethu Institute of Technology
Madurai

Sub: Internal audit report for the year ended 31-03-2022

I . Significant accounting Policies

1. ACCOUNTING SYSTEM ;

The college follows cash system of accounting and recognizes income and Expenditure on cash basis.

2. REVENUE RECOGNITION

I. Fee collections are accounted in the books of accounts on actual collection basis and expenses are accounted on payment basis

II. Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

3. FIXED ASSETS & DEPRECIATION:

I. The Cost of Fixed assets comprise of its acquisition cost which is inclusive of freight, duties, levies, and incidentals attributable to bringing the asset to its working condition. Further any trade discounts and rebates are deducted in arriving at the cost.

II. The intangible assets are separately acquired and are capable of being measured reliably. The cost of intangible asset comprises the purchase price including import duties, if any and other non refundable taxes or levies and any directly attributable cost on making the asset ready for intended use.

III. Depreciation on Fixed Assets have been charged in accordance with the rates specified as per as per Income Tax Rules 1961 under written down value method. 50% of normal deprecation rate has been charged on the assets purchased during the year used than 180days

II. NOTES ON ACCOUNTS

a) Previous year Figures have been reclassified and rounded off to the Nearest Rupee, wherever necessary in confirm with the classification of the year

b) All advance, constructors' advances, Electricity Deposits, EMD Payable, Teachers Advance and fixed deposits are subject to confirmation and reconciliation from the respective parties.

c) All the advances made to contractors for construction of building is carrying as advance for which the construction work is yet to be completed. Once the construction work completed we shall capitalize the advance.

d) Fixed Asset register is maintained and the same is updated as on 31.03.2022. All the assets are physically verified by the management and are in usable condition.

e) The institution is under the process of preparing and reconciling Student wise, month wise, course fees collected and outstanding receivable during the year.

f) The caution deposit collected is treated as liability until it is repaid to the students.

g) There were some unrealizable and unsettled advances give for various purposes. Management is taking steps to recover the same

h) As per the amended section 17(1) of the Foreign Contribution (Regulation) Act,2010 a new FCRA account no. 40900828579 had been opened at SBI, New Delhi Main Branch on 07-04-2022. However, the application for approval for the operation of this account is yet to be made to Ministry of Home Affairs.

i) As per income Tax, 1961 the actual due furnishing Income tax return for whom the accounts are required to be audited is 31.10.2022 for the previous year ended 31.3.2022.

j) The anticipated total revenue for the current year is around Rs 36 Crores in line with the budgeted revenue.

k) The anticipated total revenue expenditure for the current year is around Rs 28 Crores while the anticipated profit for the year will be around Rs 8 Crores.

l) During the current year Rs 2 Crores worth additions have been made to the capital infrastructures of the institution.

Date: 20.06.2022

SETHU INSTITUTE OF TECHNOLOGY ★ PULLOOR KARIAPATTI 626 115

Yours faithfully,

(K.SANKAR)
Internal Auditor